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ABSTRACT

This speech historically reviews what the federal role is, and what it ought to be, in terms of national priorities, and in terms of what is appropriate within national goals for the present and foreseeable future. Emphasis is placed on the GI Bill of Rights, the Higher Education Act of 1965, the Guaranteed Student Loan Program, and the State Student Incentive Grant Program. (MJM)

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# THE FEDERAL ROLE IN HIGHER EDUCATION*

by
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I am glad to have the opportunity to meet with you this morning to talk about the Federal role in higher education. It is a subject that deserves continuous attention, either within or outside the context of this conference theme--the "Crisis in Higher Education."

I am always a little dubious about the use of the word "crisis" to describe the condition of education. I doubt that a year passes without our being warned that American education at one level or another is facing yet another crisis. What we really mean by "crisis," I believe, is "change" and the necessity of doing something to keep up with it, no matter how rapid it is--and it is rapid indeed at this time. Crisis would indeed occur if education were unwilling or unable to respond to change in order to meet the needs of people. And that brings us to the Federal role in higher education.

Ideally, the Federal Government is the generator of American education's response to change. As such, it must constantly be assessed so that we may measure our past successes and failures, take a close look at where we are right now, and plan our future directions according to what that close look shows us.

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What the Federal role is, and what it ought to be, always must be established in terms of national priorities, in terms of what is appropriate within national goals for the present and foreseeable future.

Except for the nineteenth-century land-grant college legislation, Federal involvement in higher education has been fairly recent. This lag stemmed in part from the fear that involvement really translated to interference. As a matter of fact, one of the reasons President Buchanan gave for vetoing the first land-grant legislation in 1858 was that it violated the States' traditional prerogative in education.

President Lincoln did not share Buchanan's misgivings. When the legislation was re-passed four years later, he signed it, and a mechanism was created to encourage the States to endow instruction in agriculture and "the mechanic arts," along with the humanities, for the sons and daughters of the "industrial classes."

This Federal response fit into the scheme of national priorities at that moment in the Nation's progress. Basically, ours was still an agrarian economy tentatively flexing the muscle of industry, and the Federal role was played according to the demand of impending change.

Not until the end of World War II did we see any profound action-reaction between higher education and society as a whole. This was created by legislation administered, not by the Office of Education, but by the Veterans Administration--the "GI Bill of Rights" of 1944.

The GI Bill was a grateful Nation's way of saying thanks to hundreds of thousands of young men and women. It also fit into the giant jigsaw puzzle of national goals and priorities created by World War II by helping to develop the massive body of talent we needed to carry out our new responsibilities in world leadership.

But, in the process of compensating the veteran and helping to meet national goals, the GI Bill made massive changes in American higher education.

Institutions across the United States enrolled older, more experienced students, from all walks of life, and they approached learning with a new kind of seriousness. They made demands that startled higher education out of its complacency of earlier decades. There was a large and immediate need for more classrooms, for more diverse types of housing, and for greatly expanded faculties and administrative staffs. There also was a demand for new kinds of instruction, in broadly extended areas of learning. Responsive colleges and universities were wrenched forever from the narrow ruts of traditional curriculum.

Higher education continued to grow in all directions through the fifties and sixties. The Federal Government provided billions of dollars for the acquisition of land and for the construction of academic buildings and housing for burgeoning student enrollments. More billions went into the development of learning technology and into research of every conceivable kind. The lack of qualified people to meet the seemingly insatiable needs of all levels of education--elementary and secondary as well as

postsecondary--was a grave concern, and the Federal Government stepped in to support their training.

Now growth has slowed to a less feverish pace, and this is the change that creates the Nation's higher education challenge in the mid-seventies.

As change evolved over the past few years, new guidelines emerged for the Federal role in higher education, and for the roles of the States, localities, and the education community as well.

Even though the building and manpower requirements of growing institutions have lessened, the amounts of Office of Education money available for postsecondary education have increased--but they have been directed more toward the support of students than to support of institutions. More specifically, our money has been directed toward assistance to students who could not continue schooling without help, either because they are too poor or because they are not adequately prepared academically. Too often, economic and educational deprivation go hand in hand, denying even a toehold on the ladder of success. Unfortunately, lack of success feeds upon itself, gripping succeeding generations in a cycle of poverty. Our emphasis on aid to individuals is a response to the national imperative to break this cycle by equalizing educational opportunity.

To demonstrate the evolution of our role, some examples are in order. In academic year 1966-67, when higher education was still expanding and the landmark Higher Education Act of 1965 was rolling in high gear, the Office of Education spent more than a billion dollars on higher education. Less than $450 million went for grants, loans, and work programs for

students. Today, eight years later, postsecondary students are receiving almost $1.6 billion through such programs out of a total OE expenditure for higher education of slightly more than a $1.8 billion.

Eight years ago, the Education Office put approximately $28 million into special programs to identify and prepare disadvantaged students for education after high school. Now OE is putting more than $70 million a year into such programs in addition to its support for student financial aid. Last year these special programs served an estimated 250,000 young people.

Most of the student assistance I have talked about is designed to help those whose income is low in terms of today's average. But OE administers another program of financial assistance for which students at all income levels are eligible. This is the Guaranteed Student Loan Program, which to date has backed some seven million student loans for more than $7 billion. This is more than ever has gone into programs of aid for needy students. Needless to say, we are proud of this program, which has enabled so many young Americans to broaden their educational horizons. At the same time, we are aware of its imperfections. Recently, we have improved the management of the Guaranteed Loan program in order to redress its weaknesses and to maintain its vitality for the benefit of future students.

An invaluable role has been played in the Guaranteed Student Loan Program by the private lending community, which has put up the principal for the low-interest loans. This is a fine example of the kind of healthy,

workable partnership that can be developed between the Government and the private sector. It seems to me that the creation of partnerships with the various non-Federal sectors makes good sense for the Federal Government, and we are giving it more attention.

This year, for example, grants and scholarships averaging $500 and reaching an estimated 76,000 students were generated through our new State Student Incentive Grant Program, or "SSIG" as it is called in the Washington alphabetic language. The law requires not only that the Federal contribution be matched dollar for dollar by the States and territories, but also that the matching money represent an increase over what the States and territories spent for similar programs in prior years. The vast majority of States were not just willing, but eager, to meet these seemingly stringent requirements.

I have said that the Federal Government over the past few years has directed its support more to students than to institutions. Last year, Federal funds expended by public and private institutions amounted to less than half of what was expended from state and local sources.

Nonetheless, in the past couple of years the Office has almost doubled its support to one type of institution. These are the ones that historically have enrolled large numbers of degree earning students from low-income and minority populations. Two-year colleges, four-year colleges, and universities qualifying for aid under our "developing institutions" program are helped to strengthen themselves so that they can assume a truly competitive position in the larger community of higher education. The Government helps these institutions only long enough to allow them to acquire necessary

strengths. This is quite different from a promise of perpetual funding. This year OE is putting $100 million into approximately 250 developing institutions, thus nearly doubling the funds appropriated in Fiscal Year 1972.

Still in the area of institutional support, we have increased our annual spending for cooperative education more than six-fold--from $1.7 million to $10.75 million--since Fiscal Year 1973. These funds are awarded to institutions to develop or expand programs that enable students to alternate periods of full-time study with periods of full-time employment in fields compatible with their academic pursuits. Again, our role is to generate the capability of schools to carry out the program rather than to impose the Federal presence. A college or university is limited to three years of funding, after which it operates under its own initiative.

We have taken a sketchy look at where we have been and where we are. What about the future?

Our Fiscal Year 1975 budget request for higher education programs is $2.1 billion, a quarter of a billion more than we asked for FY 74. Since nearly $1.9 billion of this is identified as student aid, we can say quite honestly that our continuing priority will be to equalize individual access to education beyond high school. I think there is general agreement that a good education is the best route to self-reliance and all the benefits to the individual and the Nation that come with it.

There are problems in postsecondary education that require attention from all of us.

High costs are causing painful pressures on middle-income purses.

A few institutions are doing a disservice to the entire enterprise by failing to provide the education paid for in good faith by students and parents.

Other institutions are closing their doors because they can no longer afford to keep them open.

There is a plethora of higher education personnel--people with superior teaching qualifications who are unable to find a job.

Other outstandingly qualified people are leaving our institutions with a degree for which there is a strictured market and are unable to find a job that challenges their intellect.

Too many students are dropping out of postsecondary programs before they have acquired a career skill.

Responses to some of these problems are already in motion.

Recently, for example, we published regulations dealing with accreditation which will provide much stronger authority for the protection of education consumers.

We are seeking ways to increase lender participation in the Guaranteed Student Loan Program so that middle-income students may be assured of access to loans and be able to spread the burden of repayment over a period of years.

We are continuing our emphasis on the concept of career education to make sure that there are enough workers to meet the Nation's needs, as well as to make sure that students leave our educational program with a marketable skill.

We are keeping an eye on the precarious balance between shortage and abundance of higher education personnel. In the nature of supply and demand, the present abundance is expected to level off in a few years, and it is not in the national interest to permit an undersupply of trained persons in any field.

Between May 7 and July 25 of this year, the House Special Subcommittee on Education held 27 oversight hearings dealing with Title IV of the Higher Education Act of 1965, the title which authorizes our postsecondary student assistance programs. I hope this is just the beginning of a continuing close working relationship between the Congress and the Office of Education--a relationship which was one of the top priorities I set down for the Office when I became Commissioner last June. Quality education is a goal we and the Congress hold in common, and by working together we are bound to achieve it.

This brings me to another point I would like to make on working together to reach common goals. The use of the word "Federal" should not create a mental image of "we" and "they." While the Federal role is a very specific one and, in the context of the whole, certainly not the largest, it is a role that ought to reflect the interests and opinions of all persons and governmental and organizational entities concerned with American education.

I feel secure in the knowledge that we can continue to count on you, the Nation's journalists, to help keep a collective national eye on American education, assuring its continued healthy response to the needs of the country and all the people.

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